



[4335-30]

DEPARTMENT OF THE INTERIOR

Office of Natural Resources Revenue

[Docket No. ONRR-2011-0020; DS63610000 DR2PS0000.CH7000 156D0102R2]

Agency Information Collection Activities: Royalty and Production Reporting—

OMB Control Number 1012-0004; Comment Request

AGENCY: Office of Natural Resources Revenue (ONRR), Interior.

ACTION: Notice of Extension.

SUMMARY: To comply with the Paperwork Reduction Act of 1995 (PRA), ONRR is inviting comments on a collection of information request that we will submit to the Office of Management and Budget (OMB) for review and approval of the paperwork requirements in the regulations under title 30, *Code of Federal Regulations* (CFR), parts 1210 and 1212. There are three forms associated with this information collection.

DATES: Submit written comments on or before **(INSERT DATE 60 DAYS AFTER PUBLICATION IN THE *FEDERAL REGISTER*)**.

ADDRESSES: You may submit comments on this ICR to ONRR by using one of the following three methods (please reference “ICR 1012-0004” in your comments):

1. Electronically go to <http://www.regulations.gov>. In the entry titled “Enter Keyword or ID,” enter “ONRR-2011-0020” and then click “Search.” Follow the instructions to submit public comments. ONRR will post all comments.

2. Mail comments to Mr. Luis Aguilar, Regulatory Specialist, ONRR, P.O. Box 25165, MS 61030A, Denver, Colorado 80225-0165.

3. Hand-carry or mail comments, using an overnight courier service, to ONRR. Our courier address is Building 85, Room A-614, Denver Federal Center, West 6th Ave. and Kipling St., Denver, Colorado 80225.

FOR FURTHER INFORMATION CONTACT: For questions on technical issues, contact Lee-Ann Martin, Reporting and Solid Minerals Services, ONRR, telephone (303) 231-3313, or email *leeann.martin@onrr.gov*. For other questions, contact Mr. Luis Aguilar, telephone (303) 231-3418, or email *luis.aguilar@onrr.gov*. You may also contact Mr. Aguilar to obtain copies, at no cost, of (1) the ICR, (2) any associated form, and (3) the regulations that require us to collect the information.

SUPPLEMENTARY INFORMATION:

I. Abstract

The Secretary of the United States Department of the Interior is responsible for collecting royalties from lessees who produce minerals from leased Federal and Indian lands and the Outer-Continental Shelf (OCS). The Secretary's responsibility, under various laws, is to manage mineral resource production from Federal and Indian lands and the OCS, collect the royalties and other mineral revenues due, and distribute the funds collected under those laws. ONRR performs the royalty management functions for the Secretary.

We have posted those laws pertaining to mineral leases on Federal and Indian lands and the OCS at http://www.onrr.gov/Laws_R_D/PubLaws/default.htm.

The Secretary also has a trust responsibility to manage Indian lands and seek advice and information from Indian beneficiaries. ONRR performs the minerals revenue management functions and assists the Secretary in carrying out the Department's trust responsibility for Indian lands. When a company or an individual enters into a lease to explore, develop, produce, and dispose of minerals from Federal or Indian lands, that company or individual agrees to pay the lessor a share in an amount or value of production from the leased lands. The lessee, or his designee, is required to report various kinds of information to the lessor relative to the disposition of the leased minerals.

The ONRR financial accounting system is an integrated computer system that includes royalty, rental, bonus, and other payments; sales volumes and values; and royalty values as submitted by reporters. In the system, ONRR compares production volumes with royalty volumes to verify that reporters reported and paid proper royalties for the minerals produced. Additionally, we share the data electronically with the Bureau of Safety and Environmental Enforcement, Bureau of Land Management, Bureau of Indian Affairs, and Tribal and State governments so they can perform their lease management responsibilities.

We use the information collected in this ICR to ensure that royalty is appropriately paid, based on accurate production accounting on oil, gas, and geothermal resources produced from Federal and Indian leases. The requirement to report accurately and timely is mandatory. Please refer to the chart for all reporting requirements and associated burden hours.

Royalty Reporting

The regulations require payors (reporters) to report and to remit royalties on oil, gas, and geothermal resources produced from leases on Federal and Indian lands. The following form is used for royalty reporting:

Form ONRR-2014, Report of Sales and Royalty Remittance. Reporters submit this form monthly to report royalties on oil, gas, and geothermal leases, certain rents, and other lease-related transactions, such as transportation and processing allowances, lease adjustments, and quality and location differentials.

Production Reporting

The regulations require operators (reporters) to submit production reports if they operate a Federal or Indian onshore or offshore oil and gas lease, or Federally approved unit or communitization agreement. The ONRR financial accounting system tracks minerals produced from Federal and Indian lands, from the point of production to the point of disposition, or royalty determination, and/or point of sale. The reporters use the following forms for production accounting and reporting:

Form ONRR-4054, Oil and Gas Operations Report (OGOR). Reporters submit this form monthly for all production reporting for Outer Continental Shelf, Federal, and Indian leases. ONRR compares the production information with sales and royalty data that reporters submit on Form ONRR-2014 to ensure that the latter reported and paid the proper royalties on the oil and gas production to ONRR. ONRR uses the information from OGOR parts A, B, and C to track all oil and gas from the point of production to the point of first sale, or other disposition.

Form ONRR-4058, Production Allocation Schedule Report (PASR). Reporters submit this form monthly. The facility operators manage the facilities and measurement points where they commingle the production from an offshore Federal lease or metering point with production from other sources before they measure it for royalty determination. ONRR uses the data to determine if the operators reported the correct royalty-bearing volumes on the OGOR.

OMB Approval

We will request OMB approval to continue to collect this information. If ONRR does not collect this information, this would limit the Secretary's ability to discharge fiduciary duties and may also result in loss of royalty payments. We protect the proprietary information that we receive and do not collect items of a sensitive nature. It is mandatory that the reporters submit Forms ONRR-2014, ONRR-4054, and ONRR-4058.

II. Data

Title: 30 CFR Parts 1210 and 1212, Royalty and Production Reporting.

OMB Control Number: 1012-0004.

Bureau Form Number: Forms ONRR-2014, ONRR-4054, and ONRR-4058.

Frequency: Monthly.

Estimated Number and Description of Respondents: 3,870 oil, gas, and geothermal reporters.

Estimated Annual Reporting and Recordkeeping "Hour" Burden: 337,933 hours.

We have changed our estimates of the number of respondents due to updated data.

We have not included in our estimates certain requirements performed in the normal

course of business, considered as usual and customary. We display the estimated annual burden hours by CFR section and paragraph in the following chart.

Respondents' Estimated Annual Burden Hours

30 CFR Part 1210	Reporting and Recordkeeping Requirement	Hour Burden	Average Number of Annual Responses	Annual Burden Hours
30 CFR 1210—FORMS AND REPORTS				
Subpart B—Royalty Reports—Oil, Gas, and Geothermal Resources				
1210.52 (a) and (b)	1210.52 What royalty reports must I submit? You must submit a completed Form ONRR–2014, Report of Sales and Royalty Remittance, to ONRR with: (a) All royalty payments; and (b) Rents on nonproducing leases, where specified in the lease.	Form ONRR-2014		
		Electronic* (approximately 99 percent)		
		3 min.	4,688,216	234,411
1210.53 (a), (b), and (c)	1210.53 When are my royalty reports and payments due? (a) Completed Forms ONRR–2014 for royalty payments and the associated payments are due by the end of the month following the production month (see also §1218.50). (b) Completed Forms ONRR–2014 for rental payments, where applicable, and the associated payments are due as specified by the lease terms (see also §1218.50). (c) You may submit reports and payments early.	Manual* (approximately 1 percent)		
		7 min.	47,356	5,525
1210.54 (a), (b), and (c)	1210.54 Must I submit this royalty report electronically? (a) You must submit Form ONRR–2014 electronically unless you qualify for an exception under §1210.55(a). (b) You must use one of the following electronic media types, unless ONRR instructs you differently * * * (c) Refer to our electronic reporting guidelines in the ONRR <i>Minerals Revenue Reporter Handbook</i> , for the most current reporting options, instructions, and security measures. The handbook may be found on our Internet Web site or you may call your ONRR customer service representative * * * * * * * *			

30 CFR Part 1210	Reporting and Recordkeeping Requirement	Hour Burden	Average Number of Annual Responses	Annual Burden Hours
SUBTOTAL FOR ROYALTY REPORTING			4,735,572	239,936
Subpart C—Production Reports—Oil and Gas				
1210.102 (a)(1)(i) and (ii)	1210.102 What production reports must I submit? (a) Form ONRR–4054, Oil and Gas Operations Report. If you operate a Federal or Indian onshore or OCS oil and gas lease or federally approved unit or communitization agreement that contains one or more wells that are not permanently plugged or abandoned, you must submit Form ONRR–4054 to ONRR: (1) You must submit Form ONRR–4054 for each well for each calendar month, beginning with the month in which you complete drilling, unless: (i) You have only test production from a drilling well; or (ii) The ONRR tells you in writing to report differently. (2) You must continue reporting until: (i) The Bureau of Land Management (BLM) or [Bureau of Safety and Environmental Enforcement] approves all wells as permanently plugged or abandoned or the lease or unit or communitization agreement is terminated; and (ii) You dispose of all inventory.	Burden hours covered under 1210.104(a) and (b).		
1210.102 (a)(2)(i) and (ii)				

30 CFR Part 1210	Reporting and Recordkeeping Requirement	Hour Burden	Average Number of Annual Responses	Annual Burden Hours
	(b) You must use one of the following electronic media types, unless ONRR instructs you differently * * * (c) Refer to our electronic reporting guidelines in the ONRR <i>Minerals Production Reporter Handbook</i> , for the most current reporting options, instructions, and security measures. The handbook may be found on our Internet Web site or you may call your ONRR customer service representative * * *	TOTAL OGOR	5,746,426	97,689
		Form ONRR-4058 (PASR)		
		Electronic* (approximately 99 percent)		
		1 min.	17,820	298
		Manual* (approximately 1 percent)		
	* * * * *	3 min.	180	9
		TOTAL PASR	18,000	306
Subpart D—Special-Purpose Forms and Reports— Oil, Gas, and Geothermal Resources				
1210.155	1210.155 What reports must I submit for Federal onshore stripper oil properties? (a) <i>General.</i> Operators who have been granted a reduced royalty rate by the Bureau of Land Management (BLM) under 43 CFR 3103.4–2 must submit Form ONRR–4377, Stripper Royalty Rate Reduction Notification, under 43 CFR 3103.4–2(b)(3). * * * * *	Burden covered under OMB Control Number 1012-0005.		
SUBTOTAL FOR PRODUCTION REPORTING			5,764,426	97,996
PART 1212—RECORDS AND FILES MAINTENANCE				
Subpart B—Oil, Gas and OCS Sulphur—General				
1212.50	1212.50 Required recordkeeping and reports. All records pertaining to offshore and onshore Federal and Indian oil and gas leases shall be maintained by a lessee, operator, revenue payor, or other person for 6 years after the records are generated unless the record holder is notified, in writing, that records must be maintained for a longer period * * *. [In accordance with 30 U.S.C. 1724(f), Federal oil and gas records must be maintained for 7 years from the date the obligation became due.]	Burden hours covered under 1210.54(a), (b), and (c); and 1210.104(a) and (b).		

30 CFR Part 1210	Reporting and Recordkeeping Requirement	Hour Burden	Average Number of Annual Responses	Annual Burden Hours
1212.51 (a) and (b)	<p>(a) <i>Records</i>. Each lessee, operator, revenue payor, or other person shall make and retain accurate and complete records necessary to demonstrate that payments of rentals, royalties, net profit shares, and other payments related to offshore and onshore Federal and Indian oil and gas leases are in compliance with lease terms, regulations, and orders * * *.</p> <p>(b) Period for keeping records. Lessees, operators, revenue payors, or other persons required to keep records under this section shall maintain and preserve them for 6 years from the day on which the relevant transaction recorded occurred unless the Secretary notifies the record holder of an audit or investigation involving the records and that they must be maintained for a longer period * * *.</p> <p>[In accordance with 30 U.S.C. 1724(f), Federal oil and gas records must be maintained for 7 years from the date the obligation became due.]</p>	Burden hours covered under 1210.54(a), (b), and (c); and 1210.104(a) and (b).		
TOTAL FOR ROYALTY AND PRODUCTION REPORTING			10,499,998	337,933

* Note: ONRR consider each line of data as one response/report.

Estimated Annual Reporting and Recordkeeping “Non-hour” Cost Burden: We have not identified a “non-hour” cost burden associated with the collection of information.

III. Request for Comments

Public Disclosure Statement: The PRA (44 U.S.C. 3501 *et seq.*) provides that an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a current and valid OMB control number.

Comments: Before submitting an ICR to OMB, PRA Section 3506(c)(2)(A) requires each agency to “* * * provide 60-day notice in the **Federal Register** * * * and otherwise

consult with members of the public and affected agencies concerning each proposed collection of information * * *.” Agencies must specifically solicit comments to:

- (a) evaluate whether the proposed collection of information is necessary for the agency to perform its duties, including whether the information is useful; (b) evaluate the accuracy of the agency’s estimate of the burden of the proposed collection of information;
- (c) enhance the quality, usefulness, and clarity of the information collected; and
- (d) minimize the burden on the respondents, including the use of automated collection techniques or other forms of information technology.

The PRA also requires agencies to estimate the total annual reporting “non-hour cost” burden to respondents or recordkeepers resulting from the collection of information. If you have costs to generate, maintain, and disclose this information, you should comment and provide your total capital and startup cost components or annual operation, maintenance, and purchase of service components. You should describe the methods that you use to estimate (1) major cost factors, including system and technology acquisition, (2) expected useful life of capital equipment, (3) discount rate(s), and (4) the period over which you incur costs. Capital and startup costs include, among other items, computers and software that you purchase to prepare for collecting information and monitoring, sampling, and testing equipment, and record storage facilities. Generally, your estimates should not include equipment or services purchased: (i) before October 1, 1995; (ii) to comply with requirements not associated with the information collection; (iii) for reasons other than to provide information or keep records for the Federal Government; or (iv) as part of customary and usual business, or private practices.

Public Comment Policy: ONRR will post all comments, including names and addresses of respondents at <http://www.regulations.gov>. Before including Personally Identifiable Information (PII), such as your address, phone number, email address, or other personal information in your comment(s), you should be aware that your entire comment (including PII) may be made available to the public at any time. While you may ask us, in your comment, to withhold PII from public view, we cannot guarantee that we will be able to do so.

Dated: May 11, 2015.

Gregory J. Gould,

Director,

Office of Natural Resources Revenue.

[FR Doc. 2015-11792 Filed: 5/14/2015 08:45 am; Publication Date: 5/15/2015]